



P.O. Box 942709
Sacramento, CA 94229-2709
(888) 225-7377

Telecommunications Device for the Deaf
No Voice (916) 795-3240
www.calpers.ca.gov

Date: October 20, 2004
Reference No.:

Circular Letter No.: 200-183-04
Distribution: VI

Special:

Circular Letter

TO: ALL CONTRACTING PUBLIC AGENCIES

**SUBJECT: UPDATED OPTIONAL BENEFITS LISTING (PERS-CON-40) AND
CONTRACT AMENDMENT PROCEDURES (PERS-CON-41)**

An updated Optional Benefits Listing (PERS-CON-40) and Contract Amendment Procedures (PERS-CON-41) are now available online at the California Public Employees' Retirement System's (CalPERS) web site. There are new provisions due to legislation since the previous versions. The changes are summarized below:

Optional Benefits Listing (PERS-CON-40)

Chapter 10 (AB 67, Statutes of 2003) that became effective May 14, 2003, provides that the cost for the Two Years Additional Service Credit under Section 20903 will no longer be billed to the agency. The cost for the additional service credit will be included in the employer's contribution rate determined in the agency's next annual valuation report. A complete description of the cost and provision begins on page 9.

As a result of Chapter 56 (SB 183, Statutes of 2002) that became effective January 1, 2003, the definition of public service was expanded to include employment under the California Senate Fellows, Assembly Fellowship, Executive Fellowship, and Judicial Administration Fellowship programs. A complete description and cost estimate for the election of the prior service for that time of employment (Section 21020.5) is located on page 14. Chapter 546 (SB 2094, Statutes of 2002) that became effective January 1, 2003, also expands the definition of public service to include time served in AmeriCorps. A complete description and cost estimate for this benefit (Section 21023.5) is located on page 15.

In addition to the expansion of the definition of public service, Chapter 1152 (AB 2023, Statutes of 2002) that became effective January 1, 2003, provides an additional reclassification option to contracting public agencies. The additional reclassification option is provided under Section 20423.6 (Local Prosecutors, Local Public Defenders, and Local Public Defender Investigators as "Local Safety Member"). A complete description and cost estimate to reclassify employees begins on page 35.

Contract Amendment Procedures (PERS-CON-41)

Chapter 889 (AB 2909, Statutes of 2002) that became effective January 1, 2003, provides that the cost for each valuation and the manner that the cost is assessed shall be the same for both public agencies and the employee organizations. In addition to the costs, Chapter 889 also establishes requirements for sharing the information contained in the valuation between the public agency and employee organizations. A complete description of the costs and provisions is located in the Contract Amendment Procedures.

To find these documents on the web site, please follow the instructions below:

- Access CalPERS On-line at www.calpers.ca.gov
- Click on "For Employers" tab
- Click on your employer type button
- Click "Next" at the bottom
- Click on "Confirm"
- From the Menu on the left, click on "Circular Letters"
- Click on "2004 Circular Letters"
- Locate Circular Letter Number "200-183-04"
- Click on "Optional Benefits Listing", PERS-CON-40; or
- Click on "Contract Amendment Procedures", PERS-CON-41

We hope you find this information helpful. If you have any questions, please contact the Employer Contact Center at (888) CalPERS (225-7377).



Kenneth W. Marzion
Assistant Executive Officer
Actuarial and Employer Services